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BUREAU OF INDIAN AFFAIRS

to the

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BUREAU OF INDIAN AFFAIRS

W. Barton Greenwood, Acting Commissioner¹

"Federal responsibility for administering the affairs of individual Indian tribes," the Assistant Secretary for Public Land Management wrote to the chairman of the Indian Affairs Subcommittee of the Senate on March 13, 1953, "should be terminated as rapidly as the circumstances of each tribe will permit. This should be accomplished by arrangements with the proper public bodies of the political subdivisions to assume responsibility for the services customarily enjoyed by the non-Indian residents of such political subdivisions and by distribution of tribal assets to the tribes as a unit or by division of the tribal assets among the individual members, whichever may appear to be the better plan in each case. In addition, responsibility for trust properties should be transferred to the Indians themselves, either as groups or individuals as soon as feasible."

Although this statement was made comparatively late in the fiscal year, it reflected the policy which was followed earlier and thus serves as an effective keynote for Indian Bureau activities throughout the entire period.

In the field of programing for termination of Federal responsibilities significant progress was made during the year with a large number of widely scattered Indian groups. Proposed legislation to facilitate Indian Bureau withdrawal from California and from the Grand Ronde-Siletz area of western Oregon, introduced in Congress but not enacted the previous year, was reviewed and prepared for resubmission. Similar legislation was also being prepared for four additional groups of Indians expressing an interest in being relieved of Federal supervision. These were the Klamaths of Oregon, the Alabama-Coushattas of Texas, the Chitamachas of Louisiana, and the Prairie Island Band of Minnesota. Programing of a more preliminary nature was carried forward with the Osages of Oklahoma, the

¹ Mr. Dillon S. Myer was Commissioner of Indian Affairs until March 20, 1953. Mr. Greenwood was Acting Commissioner throughout the remainder of the fiscal year

miles of the 352 miles surfaced. This relieves the Federal Government of future maintenance expense on these roads.

The road maintenance program covered over 19,000 miles of road. It included surface maintenance, snow removal, flood damage repair, and repairs to bridges.

CREDIT ACTIVITIES

Since Indians are being encouraged to seek credit assistance from the same institutions that serve other citizens, loans made through the Bureau are playing a constantly decreasing role in the amount of credit they receive. During the 1953 fiscal year, advances by the United States totaled \$1,075,754, a decrease of \$1,388,081 from the \$2,463,835 advanced during 1952. During the calendar year 1953, incomplete reports show that Indians received financing totaling \$27,665,135 from non-Bureau sources, an increase of \$5,349,284 over the \$22,315,851 received during 1952.

Indians may now use their chief asset, trust or restricted land, as security for loans, with the approval of an authorized representative of the Secretary. This authority should open new channels of credit to them and permit them to utilize their main asset to secure justified financing, on much the same basis as any other citizen uses his assets. This privilege was long denied them.

Revolving Credit Fund

Through June 30, 1953, appropriations for the fund totaled \$13,799,600, of which \$12,550,768 was available for loans. As repayments of principal and interest are made, they are credited to the fund and are available for further loans. This revolving feature enabled the United States to lend a total of \$22,660,748 through June 30, 1953. Of this amount, payments totaling \$13,130,362 were due, of which \$12,464,169 was paid. Additional payments of \$53,591 were in transit, extension of repayment terms were granted on \$137,487, cancellations had been affected on \$5,583, and payments totaling \$469,532 were delinquent. The repayment record in percentages for the last 2 fiscal years follows

	1952	1953
Percent of amount due		
Paid or in transit.....	89 78	95 32
Extended.....	8 17	1 06
Canceled.....	04	04
Delinquent.....	2 01	3 58

The cash balance in the funds as of June 30, 1953, was \$4,014,821. Loans receivable totaled \$10,190,941. A reserve for losses of \$482,424 has been established.

The collectibility of some of the outstanding loans is questionable. A particularly serious situation faces the Bureau on loans made in southeast Alaska. Loans were made to four Indian villages for the acquisition and operation of salmon canneries. Fishing seasons in the areas where these canneries are located have not been favorable for several years. All four of these canneries have operated at a loss for the past 2 years. About 38 percent of the total loans receivable were owing to the United States in southeast Alaska, and the poor fishing seasons have placed these loans in jeopardy.

The cash balance as of June 30, 1953, includes interest payments of \$743,828 and \$916,329 received from livestock sales and settlements under authorization contained in the act of May 24, 1950 (25 U. S. C. 443). This enactment was concerned with drought purchases of livestock made mainly by the Department of Agriculture, beginning in 1934, to afford relief to stricken growers. The animals were loaned to Indians on a repayment-in-kind basis. Under the 1950 enactment this program is now being converted to a cash basis because it is believed that continuance of a credit program peculiar to the Indians will not give them needed training in customary business practices and procedures. As of June 30, 1953, the amount of Indian indebtedness in terms of cattle had been reduced from 42,551 head to 33,353.

Tribal Funds

Tribes with funds of their own available either conduct credit operations entirely with such funds or use the money to supplement funds borrowed from the United States. As of June 30, 1953, tribes were using \$9,704,611 of their own funds for this purpose. Thus, on the whole, there was about 95 cents of tribal money being used for credit purposes for every dollar which had been borrowed from the United States.

Use of Funds by Indian Organizations

Repayments on loans and interest collected by Indian tribal organizations are credited to the credit fund of the particular organization and are available for further loans by the organizations within the terms of their loan agreements with the United States. Because of this revolving feature, with the \$22,660,748 borrowed from the United States and the \$9,704,611 of tribal funds, Indian organizations had made use of a total of \$45,500,457. The types of loans and the unpaid balances were as follows:

	Enterprises	Cooperatives	Individuals	Total
Total loaned.....	\$16,183,415	\$1,344,813	\$27,477,220	\$45,005,457
Total repaid.....	7,145,692	1,181,263	18,449,634	26,776,589
Total canceled.....	11,401	13,576	168,376	191,352
Balance unpaid.....	9,026,322	149,974	8,861,220	18,037,516

The enterprises financed are operated for the benefit of all members of the tribe and include salmon canneries, tourist courts, stores, tribal farms, tribal livestock herds and various other types of activities. Cooperative associations are operated by only a part of the membership of a particular tribe.

The repayment record on loans to individuals suffered during the year due to drought in some areas, lower livestock prices, and poor fishing season. The following shows comparative figures for the past 2 years:

	1952	1953
Percent of amount due.....		
Paid.....	92.82	92.11
Extended.....	1.68	1.86
Charged off.....	.48	.83
Delinquent.....	5.02	5.20

Fullblood Indians received over 57 percent of the number of loans made during 1953 and about 50 percent of the total amount loaned. Indians of half degree of blood or over but less than fullblood received nearly 30 percent of the number of loans made and about 27 percent of the amount loaned. Indians of less than halfblood received about 13 percent of the number of loans and about 23 percent of the amount loaned.

ARTS AND CRAFTS

The Indian Arts and Crafts Board continued to provide technical assistance in production and marketing to 18 organized Indian crafts groups and to many individual Indian artists and craftsmen and sponsored their products throughout the Nation by a variety of methods.

During the year the Board cooperated with various crafts groups and museums in sponsoring exhibitions and sales of Indian crafts and paintings, participated with organizations in public addresses, displays, television shows, and published four numbers of a circular for craftsmen. In addition, the Board circulated brochures and pamphlets and supplied other pertinent details to individuals and groups requesting sources for information about Indian crafts.

The production and sale of Indian and Eskimo crafts in Alaska have proved to be an important factor contributing to the economic well-

being of the native population. The development of native crafts, which include skin sewing, carved ivories, jade jewelry, masks and totem poles, has been fostered by the Alaska Native Arts and Crafts Clearing House in Juneau, the Nome Skin Sewers Cooperative Association, many isolated trading posts located throughout the territory and the retail shops in various larger urban communities. To insure this development, the Indian Arts and Crafts Board has a production specialist assigned to this area who works closely with these groups and with the Bureau of Indian Affairs. Sales during 1953 made by the Clearing House and the Nome Skin Sewers alone, the only two organizations reporting directly to the Indian Arts and Crafts Board, amounted to \$173,000.

The Indian Arts and Crafts Board has within the past 2 years inaugurated the development of a jade project for Eskimos with a view to supplementing income, to providing sustained employment, and to making use of a valuable natural resource belonging to the natives. Beginning at Shungnak with \$300 borrowed capital, the Indian Arts and Crafts Board's production specialist established a small craft industry in jewelry, metal craft, and jade cutting. Last year sales from this project mounted to \$2,000. Similar projects have since been organized at Kotzebue and Noorvik.

Sales

Sales of Indian crafts from the 18 crafts centers for the calendar year 1953 amounted to over \$400,000. It is significant to note that while this amount does not equal the sales enjoyed by the crafts centers during the previous year, due primarily to a loss occurring in Alaska as a result of the significant reduction of armed services personnel in the area, the majority of the Indian crafts groups showed a steady increase in sales during 1953.

The sale of Indian crafts through the 18 crafts centers advised by the Indian Arts and Crafts Board amounts to only a part of the craft sales made directly by Indians or through dealers to the American public. Estimates from Indian agencies, traders, and retail shops indicate that several million dollars worth of crafts are sold annually. For example, at Cherokee, N. C., while over \$35,000 worth of crafts were sold through the Qualla Arts and Crafts Cooperative, nearly \$90,000 worth of Cherokee crafts were sold by the many local sales shops in the immediate area.

PROPERTY AND SUPPLY

It is the policy of the Bureau to discontinue any government operation under its jurisdiction that might compete with private or com-

mercial enterprise. Progress was made in fiscal 1954 in closing dairies, laundries, garages and other Government-operated facilities that could be duplicated by commercial sources equally as well and at less cost to the Government. The Bureau will continue to withdraw from the business of telephone and electrical distribution systems, heat and power plants, and business enterprises of like kind wherever feasible.

The Bureau, in acquiring the necessary tools and supplies, is concentrating also on disposal of all unnecessary property on hand. The automotive fleet, for example, is gradually being reduced in number and the remainder being upgraded by exchange and disposal of the less serviceable vehicles. The Bureau's overall inventory of real and personal property is being reduced wherever possible.

PERSONNEL

The Bureau continued in 1954 to strengthen all phases of its personnel management program. Aggressive action was taken to reevaluate all positions throughout the Bureau as a basis for establishing and operating an effective and economical organization through the proper definition of job responsibilities and to provide an equitable system for fixing and adjusting the rates of basic compensation of individual employees. To assure highest possible competence, efficiency and morale among employees, the Bureau continued to accentuate supervisor-employee relationships, looking toward maximum development and utilization of their skills. In this connection career development was encouraged through active participation by supervisors and employees in an intensive Bureau-wide inservice promotion program. The Bureau actively engaged in an extensive, nationwide recruitment program for teachers in connections with the special Navajo emergency program. Qualifications standards for certain technical Bureau positions were developed. Continued emphasis was placed on supervisory and junior management training programs. Recruitment in shortage categories—doctors, nurses and teachers—was facilitated throughout the Bureau by establishment and operation of boards of civil-service examiners. Considerable study was given to the problem of Indian preference when functional responsibilities of the Bureau are transferred to other agencies of the Government such as the Public Health Service.

BUDGET AND FINANCE

Good progress was made during 1954 in refining and improving the new accounting system installed in Bureau accounting offices the preceding year. The budget procedures are being integrated with the

system so that information supplied from the accounts will be susceptible of use for both budgeting and management purposes. Irrigation accounts were revised and simplified so as to show readily the balance due the United States at the end of any accounting period for reimbursable expenditures. Revised procedures were issued placing into effect the direct depositing procedures promulgated by the Treasury Department and the General Accounting Office. In order to facilitate Bureau operations, delegations of authority and related procedures were issued permitting the field accounting offices to approve and process various miscellaneous claims, such as claims under tribal attorney contracts, without submission to and approval by the central office. In collaboration with the General Services Administration improvements were made in the procedures incident to purchases made by the General Services Administration for the Alaska Native Service. Studies are continuing to further improve, strengthen, and simplify the accounting requirements.